

November 20, 2001
Magalie Roman-Salas
Secretary
Federal Communications Commission
445 12 St., S.W.
Washington, D.C. 20554

**Re: Ex Parte, Implementation of the Pay Telephone Reclassification and
Compensation Provisions of the Telecommunications Act of 1996, CC Docket
No. 96-128.**

Dear Ms Salas:

On November 19, 2001, Larry Fenster from WorldCom, and Robert Quinn from AT&T, had a telephone conversation with Linda Kinney, from the Office of General Counsel to discuss issues associated with the implementation of the Second Order on Reconsideration in the above-captioned proceeding.

We explained that a completion factor could be used as a proxy to determine compensable calls routed to switch-based resellers. We explained that both interexchange carriers and switch-based resellers had submitted call completion data by users of their pre-paid card products, and that the Commission had sufficient record evidence to determine a reliable call completion factor. We explained that underlying carriers would be able to manage their new payphone compensation obligations efficiently provided the Commission established a single call completion factor. We stressed that the administrative efficiencies would not materialize if underlying carriers were required to negotiate individual call completion factors to use for each reseller, and that it was imperative for the Commission to determine a reasonable call completion factor. While our original plan proposed delaying the application of a call completion factor until January 1, 2002, we proposed that underlying carriers would be willing to apply a call completion factor beginning November 23, 2001. This approach would require compensating payphone service providers for all calls sent to switch based resellers and surcharging resellers on this basis between November 23, 2001 and December 31, 2001. Carriers would subsequently credit resellers and debit payphone service providers according to the call completion factor set by the Commission, once that became known. Finally, we explained that giving resellers the discretion to compensate payphone service providers directly with the aid of a clearinghouse would be administratively infeasible unless the Commission were to apply this compensation approach to all resellers.

Sincerely,

Larry Fenster

Larry Fenster
202-736-6513

